

**GEORGIA
HEALTHCARE
GROUP**

2nd quarter and half-year 2020 Results

An extract from the parent company's, Georgia Capital PLC, results file. For the full version of the results release please refer to the following link: [Georgia Capital PLC | 1H20 results](#)

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FORWARD LOOKING STATEMENTS

This announcement contains forward-looking statements, including, but not limited to, statements concerning expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position and future operations and development. Although JSC Georgia Healthcare Group believes that the expectations and opinions reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations and opinions will prove to have been correct. By their nature, these forward-looking statements are subject to a number of known and unknown risks, uncertainties and contingencies, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. Important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, certain of which are beyond our control, include, among other things: impact of COVID-19; compliance risk; recruitment and retention of skilled medical practitioners risk; clinical risk; concentration of revenue and the Universal Healthcare Programme; currency and macroeconomic; information technology and operational risk; regional tensions and political risk; and other key factors that could adversely affect our business and financial performance, which are contained elsewhere in this document and in our past and future filings and reports. Nothing in this document should be construed as a profit forecast.

GHG overview

JSC Georgia Healthcare Group (“GHG” or “the Group”) is the largest and the only fully integrated healthcare provider in the fast-growing, predominantly privately-owned Georgian healthcare ecosystem, comprising three business lines: a healthcare services business, a pharmacy and distribution business and a medical insurance business.

Georgia Healthcare Group PLC was listed on the premium segment of the London Stock Exchange (“LSE”) in November 2015. Following the largest shareholder’s, Georgia Capital’s (GCAP), final share exchange offer becoming unconditional in all respects, Georgia Healthcare Group PLC’s listing on the premium segment of the London Stock Exchange’s main market was cancelled in August 2020 (further details of the transaction are available at: <https://georgiacapital.ge/ir/offer-ghg>).

GCAP, the 100% ultimate owner of GHG as of August 2020, continues to be listed on the premium segment of LSE (LN:CGEO).

Below is presented the Group’s and its businesses second quarter and first half 2020 consolidated financial results. Unless otherwise mentioned, comparatives are for the second quarter of 2019. The results are based on International Financial Reporting Standards (“IFRS”) as adopted in the European Union (“EU”), are unaudited and extracted from management accounts.

Georgia Healthcare Group (GHG)

Business description

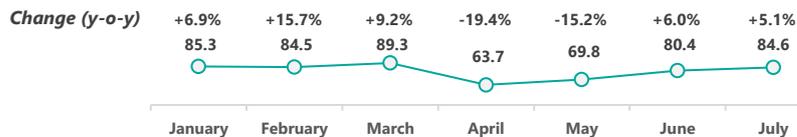
GHG is the largest and the only fully integrated healthcare service provider in the fast-growing predominantly privately-owned healthcare ecosystem in Georgia, which represents an annual aggregated market of GEL 3.8 billion. GHG is comprised of three business lines: healthcare services (hospitals, clinics and diagnostics), pharmacy and distribution and medical insurance.

1H20 performance – consolidated (GEL '000, unless otherwise noted)

INCOME STATEMENT HIGHLIGHTS	1H20	1H19	Change, Y-o-Y	2Q20	2Q19	Change, Y-o-Y
Revenue	472,929	471,708	0.3%	213,833	237,055	-9.8%
Of which, Healthcare services	146,824	169,954	-13.6%	64,844	84,715	-23.5%
Of which, Pharmacy and distribution	318,840	295,193	8.0%	143,811	149,414	-3.7%
Of which, Medical Insurance	34,559	36,366	-5.0%	16,491	18,873	-12.6%
Of which, Eliminations	(27,294)	(29,805)	-8.4%	(11,313)	(15,947)	-29.1%
Gross Profit	146,834	150,048	-2.1%	67,440	73,892	-8.7%
Operating expenses excluding IFRS 16	(84,264)	(75,272)	11.9%	(41,149)	(36,527)	12.7%
EBITDA excluding IFRS 16	62,570	74,776	-16.3%	26,291	37,365	-29.6%
Of which, Healthcare services	25,918	42,102	-38.4%	8,977	20,816	-56.9%
Of which, Pharmacy and distribution	33,628	30,908	8.8%	15,042	15,347	-2.0%
Of which, Medical Insurance	3,024	1,785	69.4%	2,275	1,223	86.0%
Of which, Eliminations	-	(19)	NMF	(3)	(21)	-85.7%
Net profit excluding IFRS 16	11,349	31,292	-63.7%	11,289	13,019	-13.3%
Of which, attributable to the shareholders of the company	2,080	20,278	-89.7%	5,443	8,281	-34.3%
CASH FLOW HIGHLIGHTS						
Cash flow from operating activities excluding IFRS 16	89,998	55,170	63.1%	46,805	28,935	61.8%
Of which, Healthcare services	53,613	21,158	153.4%	20,725	9,086	128.1%
Of which, Pharmacy and distribution	33,376	30,892	8.0%	24,304	17,449	39.3%
Of which, Medical Insurance	3,010	3,121	-3.6%	1,777	2,401	-26.0%
EBITDA to cash conversion	143.8%	73.8%	+70ppts	178.0%	77.4%	+101ppts
Cash flow used in investing activities	(18,981)	(22,007)	-13.8%	(4,383)	(7,871)	-44.3%
Of which, capex	(16,245)	(20,665)	-21.4%	(6,502)	(11,160)	-41.7%
Free cash flow, excluding IFRS 16³	71,017	33,163	114.1%	42,422	21,064	101.4%
Cash flow from financing activities excluding IFRS 16	14,874	(53,923)	NMF	9,659	(21,527)	NMF
Net Proceeds from borrowings	32,633	(29,094)	NMF	16,602	(8,083)	NMF
Cash and cash equivalents, ending balance	120,039	27,207	NMF	120,039	27,207	NMF
BALANCE SHEET HIGHLIGHTS						
	Jun-20	Dec-19	Change			
Total assets	1,428,717	1,351,207	5.7%			
Property, plant and equipment	663,405	671,658	-1.2%			
Goodwill and other intangible assets	165,786	162,247	2.2%			
Receivables from healthcare services	99,183	130,212	-23.8%			
Receivables from sale of pharmaceuticals	16,951	17,508	-3.2%			
Inventory	188,606	174,462	8.1%			
Total liabilities	835,192	748,933	11.5%			
Long-term borrowings	414,540	363,585	14.0%			
Accounts payable	144,975	128,700	12.6%			
Total equity	593,525	602,274	-1.5%			

MONTHLY PERFORMANCE IN 2020 (GEL millions, unless otherwise noted)

Revenue



KEY POINTS

- Strong operating cash flow generation, up 63.1% y-o-y in 1H20, excluding IFRS 16 impact, with 143.8% EBITDA to cash conversion ratio
- Free cash flow excluding IFRS 16, up 114.1% to GEL 71.0 million
- Despite the pandemic effects y-o-y revenue remained stable, up 30 bps y-o-y in 1H20 to GEL 472.9 million
- Improved leverage profile, with net debt down 15.1% y-o-y, from GEL 341.7 million to GEL 290.1 million

INCOME STATEMENT HIGHLIGHTS

Despite the evolving COVID-19 pandemic and lockdown restrictions in Georgia during Mar-Jun period, GHG's revenues were up 0.3% y-o-y in 1H20. The growth reflects the strong performance in the pharmacy and distribution business, primarily during 1Q20. The business has been more resilient throughout the pandemic, as the pharmacies remained open throughout Georgia during the lockdown. At the same time, the number of total admissions at hospitals and clinics significantly decreased, leading to 13.6% y-o-y decline in the 1H20 revenues from the healthcare services business. Since the beginning of June, after the Government started lifting the restrictions, we see a continuing rebound of the healthcare services business revenues. We discuss in details the performance of each business line on pages 15-17.

In 1H20, GHG's revenue distribution across its businesses was: 54% from Pharmacy and Distribution, 41% from the Healthcare Services business and 5% from Medical Insurance. By payer mix, 57% of the Group's total revenue was from out-of-pocket payments; 21% from UHC payments; and 22% from other sources.

GHG's gross profit margin was down 80bps y-o-y in 1H20, reflecting the 4.5ppts decrease in the margin of the healthcare services business, which was mostly offset by the increased margins in Pharmacy and Distribution and Medical Insurance. In addition to COVID-19, the healthcare services business was affected by the new regulation on tariff reduction for certain medical services, effective since November 2019. GHG's operating leverage was negative 14.0% in 1H20, reflecting the increased expenses at the healthcare services business due to the pandemic. As a result, 1H20 EBITDA was down 16.3% y-o-y excluding IFRS16. In 2Q20 all GHG segments managed to reduce its funding costs over 1Q20 and overall, GHG's interest expense, excluding IFRS 16, was down 7.4% q-o-q.

BALANCE SHEET HIGHLIGHTS

Strong cash collection by the hospitals and the clinics segments reduced the balance of receivables from the healthcare services. The increased balance of inventory and payables relates to the stock-up in pharmacy and distribution business, to ensure that the business has enough medicines and major consumables in the country, in case of a significant virus outbreak. In Mar-20, GHG secured a new USD 25 million loan facility from EBRD, to provide additional contingent liquidity at holding level as well as for its businesses. As of 30 June 2020, USD 11.5 million was withdrawn out of the total EBRD loan, increasing balance of borrowed funds. However, overall GHG improved its net debt position following strong cash flow generation and in 1H20 the leverage was down 15.1% y-o-y.

CASH FLOW HIGHLIGHTS

GHG delivered strong cash flows from operating activities, up 63.1% y-o-y in 1H20 excluding IFRS 16 impact with EBITDA to cash conversion ratio of 143.8%. This together with reduced capex investments and inflow from proceeds resulted in GHG's solid cash position, with GEL 120 million cash and cash equivalents balance as of 30 June 2020.

Healthcare Services

Business description

GHG is the single largest market participant in the healthcare services industry, accounting for more than 23% of the country's total hospital bed capacity, as of 30 June 2020. Through its vertically integrated network of hospitals and clinics, the healthcare services business offers the most comprehensive range of inpatient and outpatient services, targeting the entire country's population and beyond.

Hospitals segment operates 18 referral hospitals with a total of 2,967 beds, providing secondary or tertiary level healthcare services, located in Tbilisi and major regional cities.

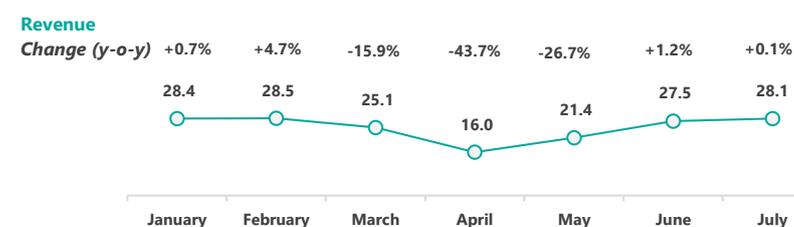
Clinics segment operates 34 healthcare facilities: a) 19 community clinics with a total of 353 beds, providing outpatient and basic inpatient healthcare services, located in regional towns and municipalities; b) 15 polyclinics, providing outpatient diagnostic and treatment services, located in Tbilisi and major regional cities.

In December 2018, GHG opened the largest diagnostics laboratory in the entire Caucasus region – Mega Laboratory ("Mega Lab"). GHG owns 100% in the healthcare services business as of 30 June 2020.

1H20 performance (GEL '000, unless otherwise noted)

INCOME STATEMENT HIGHLIGHTS	1H20	1H19	Change, Y-o-Y	2Q20	2Q19	Change, Y-o-Y
Consolidated						
Revenue, net	146,824	169,954	-13.6%	64,844	84,715	-23.5%
Gross Profit	55,832	72,031	-22.5%	24,328	35,651	-31.8%
Gross profit margin	37.6%	42.1%	-4.5ppts	37.2%	41.8%	-4.6ppts
Operating expenses excluding IFRS 16	(29,914)	(29,929)	-0.1%	(15,351)	(14,835)	3.5%
EBITDA excluding IFRS 16	25,918	42,102	-38.4%	8,977	20,816	-56.9%
EBITDA margin, excluding IFRS 16	17.5%	24.6%	-7.1ppts	13.7%	24.4%	-10.7ppts
Net (loss)/profit excluding IFRS 16	(11,841)	9,440	NMF	(6,875)	3,783	NMF
Hospitals						
Revenue, net	125,350	147,998	-15.3%	55,380	73,686	-24.8%
Gross Profit	46,100	62,337	-26.0%	19,878	31,046	-36.0%
Gross profit margin	36.4%	41.8%	-5.4ppts	35.6%	41.8%	-6.2ppts
Operating expenses excluding IFRS 16	(23,644)	(24,335)	-2.8%	(12,170)	(12,206)	-0.3%
EBITDA excluding IFRS 16	22,456	38,002	-40.9%	7,708	18,840	-59.1%
EBITDA margin, excluding IFRS 16	17.7%	25.5%	-7.8ppts	13.8%	25.4%	-11.6ppts
Net loss/profit excluding IFRS 16	(9,758)	10,053	NMF	(5,399)	4,186	NMF
Clinics						
Revenue, net	21,238	21,814	-2.6%	9,206	10,804	-14.8%
Gross Profit	9,373	9,347	0.3%	4,113	4,581	-10.2%
Gross profit margin	43.7%	42.5%	1.2ppts	44.1%	42.1%	2.0ppts
Operating expenses excluding IFRS 16	(5,767)	(5,364)	7.5%	(2,892)	(2,674)	8.1%
EBITDA excluding IFRS 16	3,606	3,983	-9.5%	1,221	1,907	-36.0%
EBITDA margin excluding IFRS 16	16.8%	18.1%	-1.3ppts	13.1%	17.5%	-4.4ppts
Net loss excluding IFRS 16	(1,640)	(586)	NMF	(1,372)	(398)	NMF
CASH FLOW HIGHLIGHTS						
Cash flow from operating activities excluding IFRS 16	53,613	21,158	153.4%	20,725	9,086	128.1%
EBITDA to cash conversion	206.9%	50.3%	156.6ppts	230.9%	43.6%	187.2ppts
Cash flow used in investing activities	(20,278)	(10,849)	86.9%	(13,821)	(3,477)	297.5%
Of which, capex	(13,689)	(17,383)	-21.3%	(5,472)	(9,345)	-41.4%
Free cash flow, excluding IFRS 16	33,335	10,309	223.4%	6,904	5,609	23.1%
Cash flow from financing activities excluding IFRS 16	567	(25,179)	NMF	13,623	(10,446)	NMF
Net Proceeds from borrowings	10,447	(7,510)	NMF	16,847	(177)	NMF
Cash and cash equivalents, ending balance	41,958	3,277	NMF	41,958	3,277	NMF

MONTHLY PERFORMANCE IN 2020 (GEL millions, unless otherwise noted)



KEY POINTS

- Rebounding revenue and EBITDA trend in June at the healthcare services business
 - Revenue up 28.6% in June 2020 over May 2020; up 1.2% y-o-y in June 2020
- Cash flow from operating activities (excl. IFRS 16) up 153.4% y-o-y in 1H20

INCOME STATEMENT HIGHLIGHTS

Restrictions imposed related to the pandemic (lock-down, etc.) had a major impact on the hospitals and clinics segments, resulting in a reduction in patient footfall, both in terms of lower emergency treatment requirements, and the cancellation of many elective and outpatient care procedures during the lockdown. This reduction led to utilisation levels falling by c.45% in the hospitals and c.40% in the clinics in Mar-May period, y-o-y, affecting the 1H20 revenue growth. In line with the country's reopening plan, since June revenue started to rebound and the number of admissions at hospitals and clinics were up in June by c.60% over May (up by c.5% at hospitals and by c.16% at clinics, y-o-y). The recovery trend continued in July and revenue was up 0.1% y-o-y.

At hospitals 15.3% y-o-y decrease in 1H20 revenues resulted in increased direct salary rate (up 1.3% y-o-y in 1H20) due to the portion of the hospitals direct salaries being fixed. The increase in the materials rate (up 2.6% y-o-y in 1H20) reflects increased consumption of medical disposables and personal protective equipment. The direct salaries and materials rate were also affected by the new UHC regulation that reduced tariffs on certain medical treatments, while the cost base for these services remain the same. This translated into the gross margin decline of 5.4 ppts y-o-y in 1H20. **At clinics** well controlled direct cost base led to 1.2 ppts y-o-y increase in the gross margin, in 1H20.

As a result of negative operating leverage in hospitals and clinics segments, due to the fixed administrative salary base and pandemic related other operating expenses, the healthcare services EBITDA, excluding IFRS 16, was down 38.4% y-o-y in 1H20, with 17.7% EBITDA margin at hospitals and 16.8% EBITDA margin at clinics.

CASH FLOW HIGHLIGHTS

Cash collection from the Government led to increase in cash flow generation. Strong operating cash flow (up 153.4% y-o-y in 1H20) and reduced capex investments (down 21.3%) resulted in GEL 42.0 million ending cash and cash equivalent balance. The business net debt reduced by 9.6%, to 258.5 million y-o-y as of 30 June 2020.

RECENT DEVELOPMENTS - On 19 August 2020, GHG signed a Sales and Purchase Agreement to sell a 40% equity interest in High Technology Medical Centre University Clinic ("HTMC") to Tbilisi State Medical University, which intends to use it as a teaching platform (the "Sale"). Total cash consideration for the Sale, which is subject to regulatory approvals, is US\$ 12 million (GEL 36.8 million). Due to the HTMC's current shareholding structure (GHG owns 50%, while the other 50% is held by an individual shareholder and current CEO of the hospital) GHG has had less control over the Hospital's operations. GHG intends to sell the remaining 10% equity interest in the coming months. HTMC had a 13.0% and 9.8% share in the total healthcare business' assets and EBITDA, respectively, in 2019.

The Sale is in line with GHG's strategy to divest low-return generating assets. HTMC is one of the lowest return generating assets across GHG's hospital portfolio with a FY19 ROIC of 3.4%. The divestment, therefore, materially improves the Healthcare business ROIC - on a pro-forma basis, increasing FY19 healthcare business ROIC by 90bps. GHG intends to use proceeds from the Sale to reduce its net debt position and improve its leverage ratio, where the cost of GEL-denominated debt is approximately 11.5%.

Pharmacy & Distribution

Business description

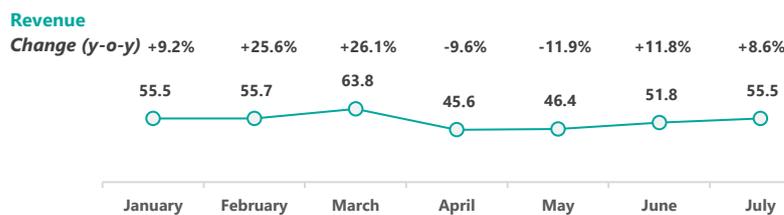
GHG is the largest pharmaceuticals retailer and wholesaler, with a c.32% market share by revenue. The Pharmacy and Distribution business consists of a retail pharmacy chain and a wholesale business which sells pharmaceuticals and medical supplies to hospitals inside and outside the GHG group and to pharmacies outside the GHG group. The pharmacy chain operates two brands, Pharmadepot and GPC, with a total of 299 pharmacies, of which 21 are located within GHG's healthcare facilities. The Pharmacy and Distribution business is the country's largest retailer in terms of both revenue and number of bills issued.

GHG owns 66.7% in the pharmacy and distribution business as of 30 June 2020.

1H20 performance (GEL '000, unless otherwise noted)

INCOME STATEMENT HIGHLIGHTS	1H20	1H19	Change, Y-o-Y	2Q20	2Q19	Change, Y-o-Y
Revenue, net	318,840	295,193	8.0%	143,811	149,414	-3.7%
Gross Profit	83,718	74,249	12.8%	38,433	35,951	6.9%
Gross profit margin	26.3%	25.2%	1.1ppts	26.7%	24.1%	2.6ppts
Operating expenses excluding IFRS 16	(50,090)	(43,341)	15.6%	(23,391)	(20,604)	13.5%
EBITDA excluding IFRS 16	33,628	30,908	8.8%	15,042	15,347	-2.0%
EBITDA margin, excluding IFRS 16	10.5%	10.5%	NMF	10.5%	10.3%	0.2ppts
Depreciation and amortisation excluding IFRS 16	(1,887)	(1,426)	32.3%	(964)	(738)	30.6%
Net interest income (expense) excluding IFRS 16	(5,639)	(5,892)	-4.3%	(2,703)	(2,943)	-8.2%
Foreign exchange (loss) gain excluding IFRS 16	(4,566)	(3,088)	47.9%	4,874	(3,294)	NMF
Net profit excluding IFRS 16	20,519	20,371	0.7%	16,234	8,235	97.1%
CASH FLOW HIGHLIGHTS						
Cash flow from operating activities excluding IFRS 16	33,376	30,892	8.0%	24,304	17,449	39.3%
EBITDA to cash conversion	99.3%	99.9%	-0.6ppts	161.6%	113.7%	47.9ppts
Cash flow used in investing activities	(418)	(240)	74.2%	(74)	4,716	NMF
Of which, capex	(2,384)	(3,253)	-26.7%	(933)	(1,815)	-48.6%
Free cash flow, excluding IFRS 16	32,958	30,652	7.5%	24,230	22,165	9.3%
Cash flow from financing activities excluding IFRS 16	14,773	(38,404)	NMF	6,201	(19,893)	NMF
Net Proceeds from borrowings	35,910	(21,514)	NMF	15,078	(12,836)	NMF
Cash and cash equivalents, ending balance	56,797	9,702	NMF	56,797	9,702	NMF

MONTHLY PERFORMANCE IN 2020 (GEL millions, unless otherwise noted)



KEY POINTS

- 8.0% revenue growth and 8.8% EBITDA growth in 1H20, y-o-y
- Gross profit margin improved by 1.1 ppts y-o-y in 1H20
- 10.5% EBITDA margin in 1H20, substantially exceeding the targeted 9% margin
- Strong cash collection with 99.3% EBITDA to cash conversion ratio in 1H20
- Added 20 pharmacies over the last 12 months, expanding from 279 to 299 stores

INCOME STATEMENT HIGHLIGHTS

The pharmacy and distribution business continued to deliver growing revenues in 2020, reflecting both expansion and organic sales growth, with 5.8% same store revenue growth rate in 1H20. The strong 1Q20 results reflect pandemic related behavioural change, as citizens started to stock up on pharmaceuticals in March ahead of the lockdown. From April the sales started to slow down, however, revenue rebounded in June and overall, in 2Q20 revenue was down slightly by 3.7% y-o-y. The business issued 13.4 million bills in 1H20, with average customer interactions of 2.2 million per month and the average bill size of GEL 16.5 (up 19.6% y-o-y).

In 1H20, the retail revenue share in total revenue was 74.0% (71.0% in 1H19) and revenue from para-pharmacy as a percentage of retail revenue from pharma was 34.0% (30.3% in 1H19). Revenues from sales in high-margin non-medication categories (personal care, beauty and other parapharmacy products) were up 21.1% y-o-y in 1H20 to GEL 81.6 million, with 33.5% gross profit margin improving by 3.1 ppts y-o-y. As a result, the gross profit margin reached 26.3% in the pharmacy and distribution business in 1H20 (up 1.1ppts y-o-y).

The operating leverage was negative 2.8% excluding IFRS 16 impact in 1H20 reflecting: a) the 92.0% y-o-y decrease in other operating income to GEL 0.2 million due to gain from sale of land in prior year and b) increased rent expense of pharmacies in 1Q20 due to GEL devaluation (about 85% of rental contracts are denominated in US dollars), translating into 14% y-o-y increase in 1H20 general and administrative expense excluding IFRS 16 impact to GEL 22.6 million. As a result, the business posted an 8.8% y-o-y increase in 1H20 EBITDA excluding IFRS 16, with 10.5% EBITDA margin.

The increase in depreciation and amortisation expense reflects investments in different projects such as the Body Shop and software development. Interest expense, excluding IFRS 16 was down 7.9% q-o-q, translating into 4.3% reduction for the 1H20. As the inventory purchases in the pharmacy and distribution business are denominated in foreign currency (c.40% in EUR and c.30% in USD), depreciation of local currency in 1Q20 resulted in quarterly FX loss from the revaluation of accounts payable balances. From the beginning of 2Q20 GEL started to appreciate against USD and therefore, the business posted an FX gain in 2Q20, but overall, in 1H20 the loss from foreign currency, excluding IFRS 16 was GEL 4.6 million. As a result, the pharmacy and distribution business's profit increased slightly y-o-y in 1H20, up 70 bps, reaching GEL 20.5 million.

BALANCE SHEET HIGHLIGHTS

The increased balance of inventory, prepayments and accounts payables relates to the business stock-up, to ensure that we have enough medicines and major consumables in the country, in case of a significant virus outbreak. To increase the liquidity as a precautionary measure in response to the pandemic, the business has drawn down amounts available on credit lines and also received its portion, USD 5 million, of the EBRD loan. These increased the balance of borrowed funds, but the net debt was reduced by 23.3%.

CASH FLOW HIGHLIGHTS

The business' strong operating cash flow with 99.3% EBITDA to cash conversion ratio, decreased capex investments and the proceed from borrowings described above, resulted in ending balance of cash and cash equivalents of GEL 56.8 million as of 30 June 2020.

Medical Insurance

Business description

GHG is Georgia's largest provider of private medical insurance, with a 25.3% market share based on 1Q20 net insurance premiums. GHG has a wide distribution network and offers a variety of medical insurance products primarily to Georgian corporate and state entities and also to retail clients. GHG has c.175,000 persons insured as at 30 June 2020. The medical insurance business plays an important role in GHG's business model, as it is a significant feeder for its polyclinics, pharmacies and hospitals.

GHG **owns 100%** in the medical insurance business as of 30 June 2020.

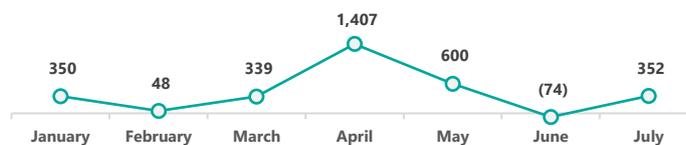
1H20 performance (GEL '000, unless otherwise noted)

INCOME STATEMENT HIGHLIGHTS	1H20	1H19	Change, Y-o-Y	2Q20	2Q19	Change, Y-o-Y
Net insurance premiums earned	34,559	36,366	-5.0%	16,491	18,873	-12.6%
Gross Profit	7,988	4,450	79.5%	4,985	2,640	88.8%
Operating expenses excluding IFRS 16	(4,964)	(2,665)	86.3%	(2,710)	(1,417)	91.2%
EBITDA excluding IFRS 16	3,024	1,785	69.4%	2,275	1,223	86.0%
EBITDA margin, excluding IFRS 16	8.8%	4.9%	3.9ppts	13.8%	6.5%	7.3ppts
Depreciation and amortisation excluding IFRS 16	(394)	(380)	3.7%	(205)	(191)	7.3%
Net interest income (expense) excluding IFRS 16	793	313	NMF	417	186	NMF
Foreign exchange (loss) gain excluding IFRS 16	8	71	-88.7%	2	8	-75.0%
Net profit before income tax excluding IFRS 16	3,273	1,789	83.0%	2,331	1,226	90.1%
Income tax benefit/(expense)	(603)	(288)	NMF	(398)	(203)	96.1%
Net profit excluding IFRS 16	2,670	1,501	77.9%	1,933	1,023	89.0%
CASH FLOW HIGHLIGHTS						
Cash flow from operating activities	3,010	3,121	-3.6%	1,777	2,401	-26.0%
EBITDA to cash conversion	99.5%	174.8%	-75.3ppts	78.1%	196.3%	-118.2%
Cash flow used in investing activities	814	(501)	NMF	63	277	-77.1%
Of which, capex	(172)	(29)	NMF	(97)	-	NMF
Free cash flow, excluding IFRS 16	3,824	2,620	46.0%	1,840	2,678	-31.3%
Cash flow from financing activities, excluding IFRS 16	435	(758)	NMF	(717)	(577)	NMF
Net Proceeds from borrowings	1,600	(300)	NMF	-	(300)	NMF
Cash and cash equivalents, ending balance	21,284	14,228	49.6%	21,284	14,228	49.6%

MONTHLY PERFORMANCE IN 2020 (GEL thousands, unless otherwise noted)

Net profit, excluding IFRS 16

Change (y-o-y) +115.8% -59.9% +72.1% Up 3.8x +123.9% -119.4% -45.1%



KEY POINTS

- Improved claims retention rates within GHG group – up 2.3% y-o-y in 1H20
- Improved loss ratio by 10.5% y-o-y to 73.4% in 1H20
- Insurance renewal rate at 71.3% in 1H20 (77.5% in 1H19)

INCOME STATEMENT HIGHLIGHTS

The 5% decline in 1H20 revenues reflects the decrease in the number of insured clients to c.175,000 as of 30 June 2020 from c.236,000 as of 31 December 2019, mainly due to the expiry of Ministry of Defence contract from February 2020. This will reduce the medical insurance business revenue in the coming quarters but will have immaterial impact on earnings, as the client loss ratio was far above the business' average.

Various incentives such as direct settlement of claims with the provider mean that, on top of its own positive contribution to GHG's profitability, the medical insurance business plays a feeder role in originating and directing patients to GHG's healthcare facilities, mainly to polyclinics and to pharmacies. As GHG business has expanded, the claims retention rates within GHG improved (i.e., reimbursements of GHG's customers' healthcare costs that are paid to other GHG group entities).

Claims retention rates

	1H20	1H19	Change, Y-o-Y
Total claims retained within the GHG	43.4%	41.1%	+2.3 ppts
Total claims retained in outpatient	41.1%	40.6%	+0.5 ppts

In 1H20, the medical insurance claims expense was GEL 25.4 million (down 16.8%), of which GEL 11.5 million (45.2% of the total) was inpatient, GEL 8.7 million (34.3% of total) was outpatient and GEL 5.2 million (20.6% of total) was accounted for by drugs. Impairment expense was up from GEL 0.2 million in 1H19 to GEL 1.0 million in 1H20, driving 86.3% y-o-y increase in 1H20 operating expenses to GEL 5.0 million. The increase in impairment expense reflects a decline in receivables collection, mostly from travel agencies, as small businesses began to struggle due to the current circumstances caused by the pandemic. The loss ratio improved by 10.5 ppts in 1H20 y-o-y, from 83.9% to 73.4%. Improvement is mainly attributable to the decreased traffic at hospitals and clinics due to the pandemic as well as to the expiry of Ministry of Defence contract which had a loss ratio far above the average level for the business. The combined ratio was also down by 3.7 ppts in 1H20 to 92.4% and consequently EBITDA, excluding IFRS 16 impact, grew by 69.4%, contributing GEL 2.7 million profit to GHG in 1H20.

BALANCE SHEET HIGHLIGHTS

The majority of medical insurance contracts expire and renew in January every year, causing the insurance premiums receivable as well as insurance contract liabilities balances to increase in the first quarter and reduce gradually in line with contract amortisation terms. As a precautionary measure to increase the liquidity in times of pandemic the medical insurance business has also drawn its credit line which increased the balance of borrowed funds and available cash respectively.

CASH FLOW HIGHLIGHTS

The medical insurance business almost doubled its cash and cash equivalents balance since 31 December 2019, with 99.5% EBITDA to cash conversion ratio, ending cash totalling GEL 21.3 million.

SELECTED FINANCIAL INFORMATION - GHG

INCOME STATEMENT						
<i>GEL thousands, unless otherwise noted</i>						
	1H20	1H19	Change	2Q20	2Q19	Change
Revenue, gross	474,522	472,872	0.3%	214,469	237,660	-9.8%
Corrections & rebates	(1,593)	(1,164)	36.9%	(636)	(605)	5.1%
Revenue, net	472,929	471,708	0.3%	213,833	237,055	-9.8%
Costs of services	(326,096)	(321,660)	1.4%	(146,393)	(163,163)	-10.3%
Cost of salaries and other employee benefits	(51,608)	(56,533)	-8.7%	(23,120)	(28,578)	-19.1%
Cost of materials and supplies	(26,325)	(24,477)	7.5%	(11,971)	(12,064)	-0.8%
Cost of medical service providers	(1,139)	(1,869)	-39.1%	(374)	(1,070)	-65.0%
Cost of utilities and other	(7,739)	(7,780)	-0.5%	(3,300)	(3,443)	-4.2%
Net insurance claims incurred	(19,863)	(23,440)	-15.3%	(8,647)	(11,812)	-26.8%
Agents, brokers and employee commissions	(1,196)	(1,415)	-15.5%	(551)	(646)	-14.7%
Cost of pharma – wholesale	(51,220)	(56,416)	-9.2%	(22,709)	(29,184)	-22.2%
Cost of pharma – retail	(167,006)	(149,730)	11.5%	(75,721)	(76,366)	-0.8%
Gross profit	146,833	150,048	-2.1%	67,440	73,892	-8.7%
Salaries and other employee benefits	(49,589)	(47,317)	4.8%	(24,123)	(23,922)	0.8%
General and administrative expenses	(21,753)	(19,710)	10.4%	(10,090)	(10,030)	0.6%
<i>General and administrative expenses excluding IFRS 16</i>	<i>(33,023)</i>	<i>(30,097)</i>	<i>9.7%</i>	<i>(15,364)</i>	<i>(15,290)</i>	<i>0.5%</i>
Impairment of receivables	(3,310)	(2,312)	43.2%	(1,995)	(1,140)	75.0%
Other operating income	1,658	4,454	-62.8%	333	3,826	-91.3%
EBITDA	73,839	85,163	-13.3%	31,565	42,626	-25.9%
EBITDA excluding IFRS 16	62,569	74,776	-16.3%	26,291	37,365	-29.6%
EBITDA margin excluding IFRS 16	13.2%	15.8%	-2.6ppts	12.3%	15.7%	-3.5ppts
Depreciation and amortization	(29,185)	(26,809)	8.9%	(14,686)	(13,633)	7.7%
<i>Depreciation and amortization excluding IFRS 16</i>	<i>(19,561)</i>	<i>(17,654)</i>	<i>10.8%</i>	<i>(9,844)</i>	<i>(8,975)</i>	<i>9.7%</i>
Net interest income (expense)	(24,490)	(23,353)	4.9%	(11,864)	(11,715)	1.3%
<i>Net interest income (expense) excluding IFRS 16</i>	<i>(21,385)</i>	<i>(20,702)</i>	<i>3.3%</i>	<i>(10,279)</i>	<i>(10,341)</i>	<i>-0.6%</i>
Net gains/(losses) from foreign currencies	(10,424)	(8,995)	15.9%	11,477	(8,846)	NMF
<i>Net gains/(losses) from foreign currencies excluding IFRS 16</i>	<i>(6,393)</i>	<i>(4,244)</i>	<i>50.6%</i>	<i>7,086</i>	<i>(4,388)</i>	<i>NMF</i>
Net non-recurring income/(expense)	(2,334)	(527)	NMF	(1,567)	(371)	NMF
Profit before income tax expense	7,406	25,479	-70.9%	14,925	8,062	85.1%
Income tax benefit/(expense)	(1,548)	(357)	NMF	(398)	(272)	46.3%
Profit for the period	5,858	25,122	-76.7%	14,527	7,790	86.5%
Attributable to:	-	-				
- shareholders of the Company	(1,932)	15,571	NMF	7,732	4,256	81.7%
- non-controlling interests	7,790	9,551	-18.4%	6,795	3,534	92.3%
Profit for the period excluding IFRS 16	11,348	31,292	-63.7%	11,289	13,019	-13.3%
Attributable to:						
- shareholders of the Company	2,079	20,278	-89.7%	5,443	8,281	-34.3%
- non-controlling interests	9,269	11,014	-15.8%	5,846	4,738	23.4%

SELECTED FINANCIAL INFORMATION – GHG, *continued*

STATEMENT OF CASH FLOW

<i>GEL thousands, unless otherwise noted</i>	1H20	1H19	Change	2Q20	2Q19	Change
Cash flows from / (used in) operating activities						
Revenue received	499,674	451,829	10.6%	239,602	233,963	2.4%
Cost of services paid	(321,039)	(318,412)	0.8%	(146,883)	(163,308)	-10.1%
Gross profit received	178,635	133,417	33.9%	92,718	70,655	31.2%
Salaries paid	(52,825)	(47,439)	11.4%	(30,287)	(25,263)	19.9%
General and administrative expenses paid	(22,294)	(20,432)	9.1%	(9,425)	(10,297)	-8.5%
General and administrative expenses paid, excluding IFRS 16	(33,564)	(30,984)	8.3%	(14,699)	(15,881)	-7.4%
Other operating income/(expense) and tax paid	(612)	370	NMF	(458)	(468)	-2.1%
Net cash flows from operating activities before income tax	102,904	65,916	56.1%	52,548	34,627	51.8%
Income tax paid	(1,636)	(194)	NMF	(469)	(108)	NMF
Net cash flows from operating activities	101,268	65,722	54.1%	52,079	34,519	50.9%
Net cash flows from operating activities, excluding IFRS 16	89,998	55,170	63.1%	46,805	28,935	61.8%
Cash flows from / (used in) investing activities						
Cash outflow on Capex	(16,245)	(20,665)	-21.4%	(6,502)	(11,160)	-41.7%
Acquisition of subsidiaries/payments of holdback	(5,445)	(6,101)	-10.8%	-	(877)	NMF
Interest income received	1,675	1,243	34.8%	1,259	917	37.3%
Other investing activities	1,034	3,516	-70.6%	860	3,249	-73.5%
Net cash flow used in investing activities	(18,981)	(22,007)	-13.8%	(4,383)	(7,871)	-44.3%
Cash flows from / (used in) financing activities						
Payment of dividends to minorities	(6,036)	(4,950)	21.9%	(2,316)	(1,980)	17.0%
Purchase of treasury shares	(1,452)	(1,582)	-8.2%	(1,452)	(1,272)	14.2%
Payment of finance lease liabilities	(8,165)	(7,949)	2.7%	(3,689)	(4,248)	-13.2%
Interest expense paid on finance lease	(3,105)	(2,603)	19.3%	(1,585)	(1,336)	18.6%
Increase/(decrease) in borrowings	32,633	(29,094)	NMF	16,602	(8,083)	NMF
Interest expense paid	(10,271)	(18,297)	-43.9%	(3,175)	(10,192)	-68.9%
Net cash flows (used in)/from financing activities	3,604	(64,475)	NMF	4,385	(27,111)	NMF
Net cash flows (used in)/from financing activities, excluding IFRS 16	14,874	(53,923)	NMF	9,659	(21,527)	NMF
Effect of exchange rates changes on cash and cash equivalents	2,142	6	NMF	(205)	74	NMF
Net increase/(decrease) in cash and cash equivalents	88,033	(20,754)	NMF	51,875	(388)	NMF
Cash and bank deposits, beginning	32,005	47,961	-33.3%	68,163	27,595	147.0%
Cash and bank deposits, ending	120,039	27,207	NMF	120,039	27,207	NMF

BALANCE SHEET

<i>GEL thousands, unless otherwise noted</i>	Jun-20	Dec-19	Change	Jun-19	Change
Total assets, of which:	1,428,717	1,351,207	5.70%	1,329,411	7.50%
Cash and bank deposits	120,039	32,005	NMF	27,207	NMF
Receivables from healthcare services	99,183	130,212	-23.8%	124,050	-20.0%
Receivables from sale of pharmaceuticals	16,951	17,508	-3.2%	18,808	-9.9%
Insurance premiums receivable	34,675	26,892	28.9%	44,737	-22.5%
Property and equipment	663,405	671,658	-1.2%	672,785	-1.4%
Right of use assets	77,764	84,115	-7.6%	79,908	-2.7%
Goodwill and other intangible assets	165,786	162,247	2.2%	156,042	6.2%
Inventory	188,606	174,462	8.1%	157,132	20.0%
Prepayments	16,122	12,289	31.2%	14,156	13.9%
Other assets	46,186	39,819	16.0%	34,586	33.5%
<i>Of which, securities</i>	<i>4,431</i>	<i>-</i>	<i>NMF</i>	<i>-</i>	<i>NMF</i>
Total liabilities, of which:	835,192	748,933	11.5%	757,709	10.2%
Borrowed Funds	414,540	363,585	14.0%	368,895	12.4%
Accounts payable	144,975	128,700	12.6%	119,784	21.0%
Insurance contract liabilities	33,704	25,489	32.2%	43,160	-21.9%
Finance lease liabilities, of which:	89,739	90,791	-1.2%	85,942	4.4%
<i>IFRS 16 impact</i>	<i>81,063</i>	<i>82,115</i>	<i>-1.3%</i>	<i>77,266</i>	<i>4.9%</i>
Other liabilities	152,234	140,368	8.5%	139,928	8.8%
Total shareholders' equity attributable to:	593,525	602,274	-1.5%	571,702	3.8%
<i>Shareholders of the Company</i>	<i>521,702</i>	<i>530,899</i>	<i>-1.7%</i>	<i>502,640</i>	<i>3.8%</i>
<i>Non-controlling interest</i>	<i>71,823</i>	<i>71,375</i>	<i>0.6%</i>	<i>69,062</i>	<i>4.0%</i>

SELECTED FINANCIAL INFORMATION – Healthcare Services

INCOME STATEMENT	Hospitals			Clinics			Diagnostics			Eliminations			Total		
<i>GEL thousands, unless otherwise noted</i>	1H20	1H19	Change	1H20	1H19	Change	1H20	1H19	Change	1H20	1H19	1H20	1H19	Change	
Revenue, gross	126,720	148,992	-14.9%	21,461	21,984	-2.4%	3,447	2,285	50.9%	(3,211)	(2,143)	148,417	171,118	-13.3%	
Corrections & rebates	(1,370)	(994)	37.8%	(223)	(170)	31.2%	-	-	-	-	-	(1,593)	(1,164)	36.9%	
Revenue, net	125,350	147,998	-15.3%	21,238	21,814	-2.6%	3,447	2,285	50.9%	(3,211)	(2,143)	146,824	169,954	-13.6%	
Costs of services	(79,250)	(85,661)	-7.5%	(11,865)	(12,467)	-4.8%	(3,090)	(1,605)	92.5%	3,213	1,810	(90,992)	(97,923)	-7.1%	
Cost of salaries and other employee benefits	(45,367)	(51,430)	-11.8%	(7,306)	(7,632)	-4.3%	(770)	(549)	40.3%	-	-	(53,443)	(59,611)	-10.3%	
Cost of materials and supplies	(24,793)	(25,300)	-2.0%	(1,397)	(1,398)	-0.1%	(2,051)	(821)	NMF	-	(329)	(28,241)	(27,848)	1.4%	
Cost of medical service providers	(2,429)	(2,107)	15.3%	(1,788)	(2,247)	-20.4%	(50)	(46)	8.7%	2,981	2,133	(1,286)	(2,267)	-43.3%	
Cost of utilities and other	(6,661)	(6,824)	-2.4%	(1,374)	(1,190)	15.5%	(219)	(189)	15.9%	232	6	(8,022)	(8,197)	-2.1%	
Gross profit	46,100	62,337	-26.0%	9,373	9,347	0.3%	357	680	-47.5%	2	(333)	55,832	72,031	-22.5%	
Salaries and other employee benefits	(16,606)	(16,109)	3.1%	(3,925)	(3,539)	10.9%	(454)	(515)	-11.8%	-	-	(20,985)	(20,163)	4.1%	
General and administrative expenses	(6,192)	(6,989)	-11.4%	(1,654)	(1,419)	16.6%	(122)	(149)	-18.1%	25	(51)	(7,943)	(8,608)	-7.7%	
<i>G&A excl. IFRS 16</i>	<i>(6,371)</i>	<i>(7,288)</i>	<i>-12.6%</i>	<i>(2,232)</i>	<i>(2,174)</i>	<i>2.7%</i>	<i>(122)</i>	<i>(160)</i>	<i>-23.8%</i>	<i>25</i>	<i>(51)</i>	<i>(8,700)</i>	<i>(9,673)</i>	<i>-10.1%</i>	
Impairment of receivables	(2,137)	(2,265)	-5.7%	(55)	(90)	-38.9%	-	(4)	NMF	-	-	(2,192)	(2,359)	-7.1%	
Other operating income	1,470	1,327	10.8%	445	439	1.4%	100	96	4.2%	(52)	404	1,963	2,266	-13.4%	
EBITDA	22,635	38,301	-40.9%	4,184	4,738	-11.7%	(119)	108	NMF	(25)	20	26,675	43,167	-38.2%	
EBITDA excluding IFRS 16	22,456	38,002	-40.9%	3,606	3,983	-9.5%	(119)	97	NMF	(25)	20	25,918	42,102	-38.4%	
EBITDA margin excluding IFRS 16	17.7%	25.5%	-7.8ppts	16.8%	18.1%	-1.3ppts	-3.5%	4.2%	-7.7ppts	(25)	20	17.5%	24.6%	-7.1ppts	
Depreciation and amortization	(14,763)	(13,599)	8.6%	(3,558)	(3,290)	8.1%	(63)	(132)	-52.3%	-	-	(18,384)	(17,021)	8.0%	
<i>Depreciation and amortization excl. IFRS 16</i>	<i>(14,384)</i>	<i>(13,244)</i>	<i>8.6%</i>	<i>(2,834)</i>	<i>(2,485)</i>	<i>14.0%</i>	<i>(63)</i>	<i>(119)</i>	<i>-47.1%</i>	<i>-</i>	<i>-</i>	<i>(17,281)</i>	<i>(15,848)</i>	<i>9.0%</i>	
Net interest income (expense)	(14,060)	(13,233)	6.2%	(2,594)	(2,212)	17.3%	(233)	(1)	NMF	-	-	(16,887)	(15,446)	9.3%	
<i>Net interest income (expense) excl. IFRS 16</i>	<i>(13,975)</i>	<i>(13,168)</i>	<i>6.1%</i>	<i>(2,331)</i>	<i>(1,955)</i>	<i>19.2%</i>	<i>(233)</i>	<i>-</i>	<i>NMF</i>	<i>-</i>	<i>-</i>	<i>(16,539)</i>	<i>(15,123)</i>	<i>9.4%</i>	
Net gains/(losses) from foreign currencies	(1,924)	(1,552)	24.0%	(176)	(895)	-80.3%	(3)	(20)	-85.0%	-	-	(2,103)	(2,467)	-14.8%	
<i>Net gains/(losses) from FX excl. IFRS 16</i>	<i>(1,848)</i>	<i>(1,145)</i>	<i>61.4%</i>	<i>16</i>	<i>(62)</i>	<i>NMF</i>	<i>(3)</i>	<i>(20)</i>	<i>-85.0%</i>	<i>-</i>	<i>-</i>	<i>(1,835)</i>	<i>(1,227)</i>	<i>49.6%</i>	
Net non-recurring income/(expense)	(2,007)	(392)	NMF	(97)	(67)	44.8%	-	(5)	NMF	-	-	(2,104)	(464)	NMF	
Profit before income tax expense	(10,119)	9,525	NMF	(2,241)	(1,726)	29.8%	(418)	(50)	NMF	(25)	20	(12,803)	7,769	NMF	
Profit for the period	(10,119)	9,525	NMF	(2,241)	(1,726)	29.8%	(418)	(50)	NMF	(25)	20	(12,803)	7,769	NMF	
Attributable to:															
- shareholders of the Company	(10,521)	6,754	NMF	(2,288)	(1,760)	30.0%	(418)	(50)	NMF	(25)	20	(13,252)	4,964	NMF	
- non-controlling interests	402	2,771	-85.5%	47	34	38.2%	-	-	-	-	-	449	2,805	-84.0%	
Profit for the period excluding IFRS 16	(9,758)	10,053	NMF	(1,640)	(586)	NMF	(418)	(47)	NMF	(25)	20	(11,841)	9,440	NMF	
Attributable to:															
- shareholders of the Company	(10,160)	7,282	NMF	(1,687)	(620)	NMF	(418)	(47)	NMF	(25)	20	(12,290)	6,635	NMF	
- non-controlling interests	402	2,771	-85.5%	47	34	38.2%	-	-	NMF	-	-	449	2,805	-84.0%	

SELECTED FINANCIAL INFORMATION – Healthcare Services, *continued*

INCOME STATEMENT	Hospitals			Clinics			Diagnostics			Eliminations			Total		
<i>GEL thousands, unless otherwise noted</i>	2Q20	2Q19	Change	2Q20	2Q19	Change	2Q20	2Q19	Change	2Q20	2Q19	2Q20	2Q19	Change	
Revenue, gross	55,901	74,218	-24.7%	9,321	10,877	-14.3%	1,781	1,131	57.5%	(1,523)	(906)	65,480	85,320	-23.3%	
Corrections & rebates	(521)	(532)	-2.1%	(115)	(73)	57.5%	-	-	-	-	-	(636)	(605)	5.1%	
Revenue, net	55,380	73,686	-24.8%	9,206	10,804	-14.8%	1,781	1,131	57.5%	(1,523)	(906)	64,844	84,715	-23.5%	
Costs of services	(35,502)	(42,640)	-16.7%	(5,093)	(6,223)	-18.2%	(1,476)	(774)	90.7%	1,555	573	(40,516)	(49,064)	-17.4%	
Cost of salaries and other employee benefits	(20,285)	(26,189)	-22.5%	(3,195)	(3,789)	-15.7%	(367)	(260)	41.2%	-	-	(23,847)	(30,238)	-21.1%	
Cost of materials and supplies	(11,198)	(12,281)	-8.8%	(650)	(721)	-9.8%	(983)	(428)	NMF	-	(329)	(12,831)	(13,759)	-6.7%	
Cost of medical service providers	(1,066)	(1,095)	-2.6%	(780)	(1,183)	-34.1%	(40)	(45)	-11.1%	1,454	896	(432)	(1,427)	-69.7%	
Cost of utilities and other	(2,953)	(3,075)	-4.0%	(468)	(530)	-11.7%	(86)	(41)	NMF	101	6	(3,406)	(3,640)	-6.4%	
Gross profit	19,878	31,046	-36.0%	4,113	4,581	-10.2%	305	357	-14.6%	32	(333)	24,328	35,651	-31.8%	
Salaries and other employee benefits	(8,316)	(8,157)	2.0%	(1,963)	(1,783)	10.1%	(295)	(281)	5.1%	-	-	(10,574)	(10,220)	3.5%	
General and administrative expenses	(3,149)	(3,741)	-15.8%	(719)	(791)	-9.1%	(30)	(71)	-57.7%	7	(51)	(3,891)	(4,654)	-16.4%	
<i>G&A excl. IFRS 16</i>	<i>(3,203)</i>	<i>(3,861)</i>	<i>-17.0%</i>	<i>(981)</i>	<i>(1,092)</i>	<i>-10.2%</i>	<i>(30)</i>	<i>(76)</i>	<i>-60.6%</i>	<i>7</i>	<i>(51)</i>	<i>(4,207)</i>	<i>(5,080)</i>	<i>-17.2%</i>	
Impairment of receivables	(984)	(1,128)	-12.8%	(35)	(15)	NMF	-	-	NMF	-	-	(1,019)	(1,143)	-10.8%	
Other operating income	333	940	-64.6%	87	216	-59.7%	47	49	-4.1%	(18)	404	449	1,609	-72.1%	
EBITDA	7,762	18,960	-59.1%	1,483	2,208	-32.8%	27	54	-50.3%	21	20	9,293	21,243	-56.3%	
EBITDA excluding IFRS 16	7,708	18,840	-59.1%	1,221	1,907	-36.0%	27	49	-45.0%	21	20	8,977	20,816	-56.9%	
EBITDA margin excluding IFRS 16	13.8%	25.4%	-11.6pppts	13.1%	17.5%	-4.4pppts	1.5%	4.3%	-2.8pppts	-	-	13.7%	24.4%	-10.7pppts	
Depreciation and amortization	(7,433)	(6,920)	7.4%	(1,771)	(1,664)	6.4%	(34)	(67)	-49.3%	-	-	(9,238)	(8,652)	6.8%	
<i>Depreciation and amortization excl. IFRS 16</i>	<i>(7,232)</i>	<i>(6,728)</i>	<i>7.5%</i>	<i>(1,409)</i>	<i>(1,257)</i>	<i>12.1%</i>	<i>(34)</i>	<i>(60)</i>	<i>-43.4%</i>	<i>-</i>	<i>-</i>	<i>(8,675)</i>	<i>(8,046)</i>	<i>7.8%</i>	
Net interest income (expense)	(6,767)	(6,620)	2.2%	(1,294)	(1,126)	14.9%	(118)	(1)	NMF	-	-	(8,179)	(7,747)	5.6%	
<i>Net interest income (expense) excl. IFRS 16</i>	<i>(6,720)</i>	<i>(6,586)</i>	<i>2.0%</i>	<i>(1,155)</i>	<i>(998)</i>	<i>15.7%</i>	<i>(118)</i>	<i>-</i>	<i>NMF</i>	<i>-</i>	<i>-</i>	<i>(7,993)</i>	<i>(7,584)</i>	<i>5.4%</i>	
Net gains/(losses) from foreign currencies	2,327	(1,437)	NMF	649	(834)	NMF	-	(14)	NMF	-	-	2,976	(2,286)	NMF	
<i>Net gains/(losses) from FX excl. IFRS 16</i>	<i>2,219</i>	<i>(1,052)</i>	<i>NMF</i>	<i>(9)</i>	<i>(35)</i>	<i>-74.4%</i>	<i>-</i>	<i>(14)</i>	<i>NMF</i>	<i>-</i>	<i>-</i>	<i>2,210</i>	<i>(1,102)</i>	<i>NMF</i>	
Net non-recurring income/(expense)	(1,374)	(288)	NMF	(20)	(15)	33.3%	-	-	NMF	-	-	(1,394)	(303)	NMF	
Profit before income tax expense	(5,485)	3,696	NMF	(953)	(1,432)	33.4%	(125)	(28)	NMF	21	20	(6,542)	2,256	NMF	
Profit for the period	(5,485)	3,696	NMF	(953)	(1,432)	33.4%	(125)	(28)	NMF	21	20	(6,542)	2,256	NMF	
Attributable to:															
- shareholders of the Company	(5,480)	2,437	NMF	(961)	(1,446)	-33.5%	(125)	(28)	NMF	21	20	(6,545)	983	NMF	
- non-controlling interests	(5)	1,259	NMF	8	14	-42.9%	-	-	NMF	-	-	3	1,273	-99.8%	
Profit for the period excluding IFRS 16	(5,399)	4,186	NMF	(1,372)	(398)	NMF	(125)	(26)	NMF	21	20	(6,875)	3,782	NMF	
Attributable to:															
- shareholders of the Company	(5,394)	2,927	NMF	(1,380)	(412)	NMF	(125)	(26)	NMF	21	20	(6,878)	2,509	NMF	
- non-controlling interests	(5)	1,259	NMF	8	14	-42.9%	-	-	NMF	-	-	3	1,273	-99.8%	

SELECTED FINANCIAL INFORMATION – Healthcare Services, *continued*

STATEMENT OF CASH FLOW						
<i>GEL thousands, unless otherwise noted</i>						
	1H20	1H19	Change	2Q20	2Q19	Change
Cash flows from / (used in) operating activities						
Revenue received	175,530	160,951	9.1%	84,663	79,494	6.5%
Cost of services paid	(87,266)	(112,120)	-22.2%	(45,754)	(56,038)	-18.4%
Gross profit received	88,264	48,831	80.8%	38,909	23,455	65.9%
Salaries paid	(22,520)	(18,534)	21.5%	(13,015)	(8,386)	55.2%
General and administrative expenses paid	(10,832)	(8,001)	35.4%	(4,365)	(4,036)	8.1%
General and administrative expenses paid, excluding IFRS 16	(11,589)	(9,069)	27.8%	(4,681)	(4,623)	1.2%
Other operating income/(expense) and tax paid	(499)	59	NMF	(445)	(1,252)	-64.4%
Net cash flows from operating activities before income tax	54,413	22,355	143.4%	21,084	9,781	115.6%
Income tax paid	(43)	(129)	-66.7%	(43)	(109)	-60.4%
Net cash flows from operating activities	54,370	22,226	144.6%	21,041	9,673	117.5%
Net cash flows from operating activities, excluding IFRS 16	53,613	21,158	153.4%	20,725	9,086	128.1%
Cash flows from / (used in) investing activities						
Cash outflow on Capex	(13,689)	(17,383)	-21.3%	(5,472)	(9,345)	-41.4%
Acquisition of subsidiaries/payments of holdback	(5,445)	(6,101)	-10.8%	-	(877)	NMF
Interest income received	142	532	-73.3%	95	472	-79.9%
Dividends and intersegment loans issued/received	(1,286)	12,103	NMF	(8,444)	6,273	NMF
Net cash flow used in investing activities	(20,278)	(10,849)	86.9%	(13,821)	(3,477)	NMF
Cash flows from / (used in) financing activities						
Purchase of treasury shares	(1,024)	(1,194)	-14.2%	(1,024)	(884)	15.8%
Payment of finance lease liabilities	(409)	(745)	-45.1%	(130)	(424)	-69.3%
Interest expense paid on finance lease	(348)	(323)	7.7%	(186)	(163)	13.9%
Increase/(decrease) in borrowings	10,447	(7,510)	NMF	16,847	(177)	NMF
Interest expense paid	(8,856)	(16,475)	-46.2%	(2,200)	(9,384)	-76.6%
Net cash flows (used in)/from financing activities	(190)	(26,247)	-99.3%	13,307	(11,032)	NMF
Net cash flows (used in)/from financing activities, excluding IFRS 16	567	(25,179)	NMF	13,623	(10,446)	NMF
Effect of exchange rates changes on cash and cash equivalents	408	(146)	NMF	198	(91)	NMF
Net increase/(decrease) in cash and cash equivalents	34,310	(15,016)	NMF	20,725	(4,928)	NMF
Cash and bank deposits, beginning	7,648	18,293	-58.2%	21,233	8,205	158.8%
Cash and bank deposits, ending	41,958	3,277	NMF	41,958	3,277	NMF

BALANCE SHEET					
<i>GEL thousands, unless otherwise noted</i>					
	Jun-20	Dec-19	Change	Jun-19	Change
Total assets, of which:	960,076	953,874	0.7%	928,668	3.4%
Cash and bank deposits	41,958	7,648	NMF	3,277	NMF
Receivables from healthcare services	108,671	140,861	-22.9%	132,284	-17.9%
Property and equipment	613,727	621,443	-1.2%	627,024	-2.1%
Right of use assets	10,064	11,369	-11.5%	10,226	-1.6%
Goodwill and other intangible assets	107,772	104,222	3.4%	98,224	9.7%
Inventory	18,771	19,387	-3.2%	18,319	2.5%
Prepayments	9,724	7,937	22.5%	6,873	41.5%
Other assets	49,389	41,007	20.4%	32,440	52.2%
<i>Of which, securities and intercompany loans</i>	<i>3,618</i>	<i>-</i>	<i>NMF</i>	<i>-</i>	<i>NMF</i>
Total liabilities, of which:	495,606	472,675	4.9%	460,148	7.7%
Borrowed Funds	304,060	291,239	4.4%	289,368	5.1%
Accounts payable	46,004	45,754	0.5%	37,087	24.0%
Other liabilities	145,542	135,682	7.3%	133,692	8.9%
Total shareholders' equity attributable to:	464,470	481,199	-3.5%	468,521	-0.9%
Shareholders of the Company	392,247	409,424	-4.2%	399,059	-1.7%
Non-controlling interest	72,223	71,775	0.6%	69,462	4.0%

SELECTED FINANCIAL INFORMATION – Pharmacy and Distribution

INCOME STATEMENT

<i>GEL thousands, unless otherwise noted</i>	1H20	1H19	Change	2Q20	2Q19	Change
Revenue	318,840	295,193	8.0%	143,811	149,414	-3.7%
Costs of services	(235,122)	(220,944)	6.4%	(105,378)	(113,463)	-7.1%
Cost of pharma – wholesale	(68,116)	(71,214)	-4.4%	(29,657)	(37,097)	-20.1%
Cost of pharma - retail	(167,006)	(149,730)	11.5%	(75,721)	(76,366)	-0.8%
Gross profit	83,718	74,249	12.8%	38,433	35,951	6.9%
Salaries and other employee benefits	(27,324)	(25,244)	8.2%	(12,545)	(12,580)	-0.3%
General and administrative expenses	(12,264)	(10,653)	15.1%	(5,685)	(5,146)	10.5%
<i>General and administrative expenses excluding IFRS 16</i>	<i>(22,574)</i>	<i>(19,794)</i>	<i>14.0%</i>	<i>(10,550)</i>	<i>(9,885)</i>	<i>6.7%</i>
Impairment of receivables	(343)	(179)	91.6%	(342)	(121)	NMF
Other operating income	151	1,876	-92.0%	46	1,982	-97.7%
EBITDA	43,938	40,049	9.7%	19,907	20,086	-0.9%
EBITDA excluding IFRS 16	33,628	30,908	8.8%	15,042	15,347	-2.0%
EBITDA margin excluding IFRS 16	10.5%	10.5%	NMF	10.5%	10.3%	0.2pppts
Depreciation and amortization	(10,226)	(9,240)	10.7%	(5,153)	(4,702)	9.6%
<i>Depreciation and amortization excluding IFRS 16</i>	<i>(1,887)</i>	<i>(1,426)</i>	<i>32.3%</i>	<i>(964)</i>	<i>(738)</i>	<i>30.6%</i>
Net interest income (expense)	(8,367)	(8,193)	2.1%	(4,088)	(4,141)	-1.3%
<i>Net interest income (expense) excluding IFRS 16</i>	<i>(5,639)</i>	<i>(5,892)</i>	<i>-4.3%</i>	<i>(2,703)</i>	<i>(2,943)</i>	<i>-8.2%</i>
Net gains/(losses) from foreign currencies	(8,289)	(6,546)	26.6%	8,460	(6,519)	NMF
<i>Net gains/(losses) from foreign currencies excluding IFRS 16</i>	<i>(4,566)</i>	<i>(3,088)</i>	<i>47.9%</i>	<i>4,874</i>	<i>(3,294)</i>	<i>NMF</i>
Net non-recurring income/(expense)	(72)	(62)	16.1%	(15)	(68)	-77.9%
Profit before income tax expense	16,984	16,008	6.1%	19,111	4,656	NMF
Income tax benefit/(expense)	(945)	(69)	NMF	-	(69)	NMF
Profit for the period	16,039	15,939	0.6%	19,111	4,587	NMF
Attributable to:						
- shareholders of the Company	8,698	9,193	-5.4%	12,319	2,326	NMF
- non-controlling interests	7,341	6,746	8.8%	6,792	2,261	NMF
Profit for the period excluding IFRS 16	20,519	20,371	0.70%	16,234	8,235	97.1%
Attributable to:						
- shareholders of the Company	11,699	12,162	-3.80%	10,391	4,770	NMF
-non-controlling interests	8,820	8,209	7.40%	5,843	3,465	68.6%

STATEMENT OF CASH FLOW

<i>GEL thousands, unless otherwise noted</i>	1H20	1H19	Change	2Q20	2Q19	Change
Cash flows from / (used in) operating activities						
Revenue received	312,119	279,962	11.5%	148,374	147,100	0.9%
Cost of services paid	(231,608)	(203,598)	13.8%	(100,025)	(105,623)	-5.3%
Gross profit received	80,511	76,364	5.4%	48,349	41,476	16.6%
Salaries paid	(25,482)	(24,516)	3.9%	(14,216)	(13,992)	1.6%
General and administrative expenses paid	(10,386)	(11,588)	-10.4%	(4,693)	(5,770)	-18.7%
General and administrative expenses paid, excluding IFRS 16	(20,696)	(20,891)	-0.9%	(9,558)	(10,671)	-10.4%
Other operating income/(expense) and tax paid	(494)	-	NMF	(75)	635	NMF
Net cash flows from operating activities before income tax	44,149	40,260	9.7%	29,365	22,349	31.4%
Income tax paid	(463)	(65)	NMF	(196)	-	NMF
Net cash flows from operating activities	43,686	40,195	8.7%	29,169	22,349	30.5%
Net cash flows from operating activities, excluding IFRS 16	33,376	30,892	8.0%	24,304	17,449	39.3%
Cash flows from / (used in) investing activities						
Cash outflow on Capex	(2,384)	(3,253)	-26.7%	(933)	(1,815)	-48.6%
Interest income received	1,120	13	NMF	851	5	NMF
Intersegment loans issued proceeds from other investing activities	846	3,000	-71.8%	8	6,526	-99.9%
Net cash flow used in investing activities	(418)	(240)	74.2%	(74)	4,716	NMF
Cash flows from / (used in) financing activities						
Payment of dividends	(18,833)	(15,000)	25.6%	(7,341)	(6,000)	22.4%
Purchase of treasury shares	(273)	(245)	11.4%	(273)	(245)	11.4%
Payment of finance lease liabilities	(7,582)	(7,050)	7.5%	(3,480)	(3,750)	-7.2%
Interest expense paid on finance lease	(2,728)	(2,253)	21.1%	(1,385)	(1,150)	20.4%
Increase/(decrease) in borrowings	35,910	(21,514)	NMF	15,078	(12,836)	NMF
Interest expense paid	(2,031)	(1,645)	23.5%	(1,263)	(811)	55.6%
Net cash flows (used in)/from financing activities	4,463	(47,707)	NMF	1,336	(24,793)	NMF
Net cash flows (used in)/from financing activities, excluding IFRS 16	14,773	(38,404)	NMF	6,201	(19,893)	NMF
Effect of exchange rates changes on cash and cash equivalents	1,292	149	NMF	(467)	162	NMF
Net increase/(decrease) in cash and cash equivalents	49,023	(7,603)	NMF	29,964	2,435	NMF
Cash and bank deposits, beginning	7,774	17,305	-55.1%	26,833	7,267	NMF
Cash and bank deposits, ending	56,797	9,702	NMF	56,797	9,702	NMF

SELECTED FINANCIAL INFORMATION – Pharmacy and Distribution, *continued***BALANCE SHEET**

<i>GEL thousands, unless otherwise noted</i>	Jun-20	Dec-19	Change	Jun-19	Change
Total assets, of which:	454,006	396,078	14.6%	359,342	26.3%
Cash and bank deposits	56,797	7,774	NMF	9,702	NMF
Receivables from sale of pharmaceuticals	43,099	40,157	7.3%	33,820	27.4%
Property and equipment	34,788	35,161	-1.1%	30,604	13.7%
Right of use assets	67,097	72,149	-7.0%	68,902	-2.6%
Goodwill and other intangible assets	52,620	52,506	0.2%	52,329	0.6%
Inventory	169,637	155,075	9.4%	138,813	22.2%
Prepayments	5,296	3,832	38.2%	6,578	-19.5%
Other assets	24,672	29,424	-16.2%	18,593	32.7%
<i>Of which, securities and intercompany loans</i>	<i>12,327</i>	<i>12,167</i>	<i>1.3%</i>	<i>2,495</i>	<i>NMF</i>
Total liabilities, of which:	355,204	303,240	17.1%	284,416	24.9%
Borrowed Funds	120,751	84,712	42.5%	79,489	51.9%
Accounts payable	129,343	110,690	16.9%	100,349	28.9%
Other liabilities	105,110	107,838	-2.5%	104,579	0.5%
Total shareholders' equity	98,802	92,838	6.4%	74,925	31.9%

SELECTED FINANCIAL INFORMATION – Medical Insurance

INCOME STATEMENT

<i>GEL thousands, unless otherwise noted</i>	1H20	1H19	Change	2Q20	2Q19	Change
Revenue	34,559	36,366	-5.0%	16,491	18,873	-12.6%
Costs of services	(26,571)	(31,916)	-16.7%	(11,506)	(16,233)	-29.1%
Net insurance claims incurred	(25,375)	(30,501)	-16.8%	(10,955)	(15,587)	-29.7%
Agents, brokers and employee commissions	(1,196)	(1,415)	-15.5%	(551)	(646)	-14.7%
Gross profit	7,988	4,450	79.5%	4,985	2,640	88.8%
Salaries and other employee benefits	(2,778)	(2,106)	31.9%	(1,551)	(1,189)	30.4%
General and administrative expenses	(817)	(728)	12.2%	(300)	(373)	-19.6%
<i>General and administrative expenses excluding IFRS 16</i>	<i>(1,020)</i>	<i>(909)</i>	<i>12.2%</i>	<i>(393)</i>	<i>(469)</i>	<i>-16.2%</i>
Impairment of receivables	(1,044)	(217)	NMF	(734)	(114)	NMF
Other operating income	(122)	567	NMF	(32)	355	NMF
EBITDA	3,227	1,966	64.1%	2,368	1,319	79.5%
EBITDA excluding IFRS 16	3,024	1,785	69.4%	2,275	1,223	86.0%
EBITDA margin excluding IFRS 16	8.8%	4.9%	3.8pppts	13.8%	6.5%	7.3pppts
Depreciation and amortization	(576)	(548)	5.1%	(295)	(279)	5.7%
<i>Depreciation and amortization excluding IFRS 16</i>	<i>(394)</i>	<i>(380)</i>	<i>3.7%</i>	<i>(205)</i>	<i>(191)</i>	<i>7.3%</i>
Net interest income (expense)	764	286	NMF	403	173	NMF
<i>Net interest income (expense) excluding IFRS 16</i>	<i>793</i>	<i>313</i>	<i>NMF</i>	<i>417</i>	<i>186</i>	<i>NMF</i>
Net gains/(losses) from foreign currencies	(32)	18	NMF	41	(41)	NMF
<i>Net gains/(losses) from foreign currencies excluding IFRS 16</i>	<i>8</i>	<i>71</i>	<i>-88.7%</i>	<i>2</i>	<i>8</i>	<i>-75.0%</i>
Net non-recurring income/(expense)	(158)	-	NMF	(158)	-	NMF
Profit before income tax expense	3,225	1,722	87.3%	2,359	1,172	101.3%
Income tax benefit/(expense)	(603)	(288)	NMF	(398)	(203)	96.1%
Profit for the period	2,622	1,434	82.8%	1,961	969	102.4%
Attributable to:						
- shareholders of the Company	2,622	1,434	82.8%	1,961	969	102.4%
Profit for the period excluding IFRS 16	2,670	1,501	77.9%	1,933	1,023	89.0%
Attributable to:						
- shareholders of the Company	2,670	1,501	77.9%	1,933	1,023	89.0%

STATEMENT OF CASH FLOW

<i>GEL thousands, unless otherwise noted</i>	1H20	1H19	Change	2Q20	2Q19	Change
Cash flows from / (used in) operating activities						
Revenue received	33,860	34,567	-2.0%	15,616	20,924	-25.4%
Cost of services paid	(23,436)	(25,820)	-9.2%	(9,910)	(14,941)	-33.7%
Gross profit received	10,424	8,747	19.2%	5,705	5,983	-4.6%
Salaries paid	(4,823)	(4,389)	9.9%	(3,056)	(2,886)	5.9%
General and administrative expenses paid	(1,076)	(843)	27.6%	(368)	(490)	-25.0%
General and administrative expenses paid, excluding IFRS 16	(1,279)	(1,024)	24.9%	(461)	(586)	-21.4%
Other operating income/(expense) and tax paid	(182)	(213)	-14.6%	(182)	(109)	66.8%
Net cash flows from operating activities before income tax	4,343	3,302	31.5%	2,100	2,498	-15.9%
Income tax paid	(1,130)	-	NMF	(230)	-	NMF
Net cash flows from operating activities	3,213	3,302	-2.7%	1,870	2,498	-25.1%
Net cash flows from operating activities, excluding IFRS 16	3,010	3,121	-3.6%	1,777	2,401	-26.0%
Cash flows from / (used in) investing activities						
Cash outflow on Capex	(172)	(29)	NMF	(97)	-	NMF
Interest income received	1,289	836	54.2%	788	577	36.6%
Other investing activities	(303)	(1,308)	-76.8%	(628)	(300)	109.2%
Net cash flow used in investing activities	814	(501)	NMF	63	277	-77.1%
Cash flows from / (used in) financing activities						
Payment of dividends	(750)	-	NMF	(375)	-	NMF
Purchase of treasury shares	(155)	(143)	8.4%	(155)	(143)	8.4%
Payment of finance lease liabilities	(174)	(154)	13.0%	(79)	(74)	7.3%
Interest expense paid on finance lease	(29)	(27)	7.4%	(14)	(23)	-38.2%
Increase/(decrease) in borrowings	1,600	(300)	NMF	-	(300)	NMF
Interest expense paid	(260)	(315)	-17.5%	(187)	(134)	39.7%
Net cash flows (used in)/from financing activities	232	(939)	NMF	(810)	(673)	20.3%
Net cash flows (used in)/from financing activities, excluding IFRS 16	435	(758)	NMF	(717)	(577)	24.3%
Effect of exchange rates changes on cash and cash equivalents	442	3	NMF	63	3	NMF
Net increase/(decrease) in cash and cash equivalents	4,701	1,865	NMF	1,186	2,104	NMF
Cash and bank deposits, beginning	16,583	12,363	34.1%	20,098	12,124	65.8%
Cash and bank deposits, ending	21,284	14,228	49.6%	21,284	14,228	49.6%

SELECTED FINANCIAL INFORMATION – Medical Insurance, *continued***BALANCE SHEET***GEL thousands, unless otherwise noted*

	Jun-20	Dec-19	Change	Jun-19	Change
Total assets, of which:	91,993	79,575	15.6%	89,905	2.3%
Cash and bank deposits	21,284	16,583	28.3%	14,228	49.6%
Insurance premiums receivable	38,955	31,531	23.5%	48,135	-19.1%
Property and equipment	14,890	15,054	-1.1%	15,159	-1.8%
Right of use assets	603	597	1.0%	780	-22.7%
Goodwill and other intangible assets	5,517	5,519	NMF	5,488	0.5%
Inventory	198	-	NMF	-	NMF
Prepayments	1,102	520	111.9%	705	56.4%
Other assets of which:	9,444	9,771	-3.3%	5,411	74.5%
<i>securities and intercompany loans</i>	<i>8,012</i>	<i>7,649</i>	<i>4.7%</i>	<i>3,118</i>	<i>NMF</i>
Total liabilities, of which:	61,740	52,695	17.2%	64,764	-4.7%
Borrowed Funds	9,255	7,450	24.2%	5,651	63.8%
Accounts payable	368	-	NMF	-	NMF
Insurance contract liabilities	40,048	31,687	26.4%	47,640	-15.9%
Other liabilities	12,069	13,558	-11.0%	11,474	5.2%
Total shareholders' equity	30,253	26,880	12.5%	25,141	20.3%

Selected ratios and KPIs

Selected ratios and KPIs	2Q20	2Q19	Change	1H20	1H19	Change
GHG, consolidated						
ROIC (%)	7.7%	12.2%	-4.5ppts	9.8%	12.2%	-2.4ppts
Group rent expenditure	5,919	6,118	-3.3%	12,406	12,014	3.3%
<i>of which, pharmacy and distribution business</i>	5,389	5,555	-3.0%	11,537	10,880	6.0%
Group capex (maintenance)	2,319	3,878	-40.2%	5,537	7,062	-21.6%
Group capex (development)	4,183	7,282	-42.6%	10,708	13,603	-21.3%
Number of employees	15,555	16,173	-3.8%	15,555	16,173	-3.8%
Number of physicians	3,476	3,645	-4.6%	3,476	3,645	-4.6%
Number of nurses	3,301	3,425	-3.6%	3,301	3,425	-3.6%
Nurse to doctor ratio, referral hospitals	0.95	0.94	1.1%	0.95	0.94	1.1%
Number of pharmacists	2,887	2,983	-3.2%	2,887	2,983	-3.2%
Hospitals						
EBITDA margin <i>excluding IFRS 16</i>	13.8%	25.4%	-11.6ppts	17.7%	25.5%	-7.8ppts
Direct salary rate (direct salary as % of revenue)	36.3%	35.3%	1.0ppts	35.8%	34.5%	1.3ppts
Materials rate (direct materials as % of revenue)	20.0%	16.5%	3.5ppts	19.6%	17.0%	2.6ppts
Administrative salary rate (administrative salaries as % of revenue)	14.9%	11.0%	3.9ppts	13.1%	10.8%	2.3ppts
SG&A rate (SG&A expenses as % of revenue)	5.7%	5.2%	0.5ppts	5.0%	4.9%	0.1ppts
Number of hospitals	18	18	NMF	18	18	NMF
Number of hospital beds	2,967	2,967	NMF	2,967	2,967	NMF
Hospitals bed occupancy rate	43.3%	59.6%	-16.3ppts	51.9%	60.9%	-9.0ppts
Hospitals bed occupancy rate, excluding TRH and CMC	43.6%	64.1%	-20.5ppts	53.6%	65.6%	-12.0ppts
CMC bed occupancy rate	34.2%	38.6%	-4.4ppts	37.6%	37.1%	0.5ppts
TRH bed occupancy rate	49.3%	46.9%	2.4ppts	52.6%	49.5%	3.1ppts
Average length of stay (days)	5.8	5.4	6.0%	5.6	5.4	2.9%
Average revenue per hospital bed	75.4	100.1	-24.7%	85.4	100.4	-14.9%
Clinics						
EBITDA margin <i>excluding IFRS 16</i>	13.1%	17.5%	-4.4ppts	16.8%	18.1%	-1.3ppts
EBITDA margin of polyclinics <i>excluding IFRS 16</i>	12.3%	16.3%	-4.0ppts	13.2%	15.6%	-2.4ppts
Direct salary rate (direct salary as % of revenue)	34.3%	34.8%	-0.5ppts	34.0%	34.7%	-0.7ppts
Materials rate (direct materials as % of revenue)	7.0%	6.6%	0.4ppts	6.5%	6.4%	0.1ppts
Number of community clinics	19	19	NMF	19	19	NMF
Number of community clinics beds	353	353	NMF	353	353	NMF
Number of polyclinics	15	16	-1	15	16	-1
Diagnostics						
EBITDA margin <i>excluding IFRS 16 impact</i>	1.5%	4.3%	-2.8ppts	-3.5%	4.2%	-7.7ppts
Number of patients served ('000)	106	60	76.7%	245	127	92.9%
Number of tests performed ('000)	266	184	44.6%	591	356	66.0%
Average revenue per test GEL	6.7	6.1	-9.8%	5.8	6.4	-9.4%
Average number of tests per patient	2.5	3.1	-18.2%	2.4	2.8	-14.3%
Pharmacy and Distribution						
EBITDA margin <i>excluding IFRS 16</i>	10.5%	10.3%	0.2ppts	10.5%	10.5%	-
Number of bills issued (millions)	5.7	7.1	-19.0%	13.4	14.2	-5.9%
Average bill size	17.6	14.2	23.9%	16.5	13.8	19.3%
Revenue from wholesale as a percentage of total revenue from pharma	25.4%	29.0%	-3.6ppts	26.0%	29.0%	-3.0ppts
Revenue from retail as a percentage of total revenue from pharma	74.6%	71.0%	3.6ppts	74.0%	71.0%	3.0ppts
Revenue from para-pharmacy as a percentage of retail revenue from pharma	38.7%	31.4%	7.3ppts	34.0%	30.3%	3.7ppts
Number of pharmacies	299	279	20	299	279	20
Medical Insurance						
Loss ratio	66.4%	82.6%	-16.2ppts	73.4%	83.9%	-10.5ppts
Expense ratio <i>excluding IFRS 16, of which</i>	21.0%	11.9%	9.1ppts	19.0%	12.3%	6.7ppts
<i>Commission ratio</i>	3.3%	3.4%	-0.1ppts	3.5%	3.9%	-0.4ppts
Combined ratio <i>excluding IFRS 16</i>	87.4%	94.5%	-7.1ppts	92.4%	96.1%	-3.7ppts
Renewal rate	77.1%	81.3%	-4.2ppts	71.3%	77.5%	-6.2ppts